

An Analysis of Productive Zakat Implementation from the Perspective of Shariah Enterprise Theory: A Case Study of Baznas Sukabumi City

Wildan Fathul Ulum*

Institut Teknologi dan Bisnis Ahmad Dahlan, Jakarta, Indonesia
wildanfathululum@gmail.com

Yayat Sujatna

Institut Teknologi dan Bisnis Ahmad Dahlan, Jakarta, Indonesia
yayatsujatna@gmail.com

** Corresponding author*

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Abstract

Zakat as a form of worship is governed by Sharia law, and its management must prioritize adherence to Sharia principles over purely economic considerations. This study aims to analyze the implementation of productive zakat for micro, small, and medium enterprises (MSMEs) by Baznas (National Zakat Agency) of Sukabumi City, using the framework of Sharia Enterprise Theory (SET). A descriptive qualitative approach was employed, utilizing interviews, observations, and document analysis. The data analysis process involved data reduction, data display, and conclusion verification. The findings reveal that the productive zakat program is implemented in six distinct stages. Among these, the verification and field review stages, as well as the monitoring and mentoring stages, emerged as the most critical. The study concludes that the program fulfills all dimensions of the Sharia Enterprise Theory, namely accountability to Allah SWT, to direct stakeholders, to indirect stakeholders, and to the environment. However, the research also identifies areas for improvement, particularly in accountability to indirect stakeholders. This is reflected in the limited progress of *mustahik*-run businesses and the suboptimal dissemination of Baznas reports. Website accessibility and public engagement efforts, such as outreach in open community spaces, remain limited. The study underscores the need to strengthen accountability mechanisms for indirect stakeholders, especially *mustahik* (beneficiaries) who receive microenterprise funding. It also highlights the importance of enhancing the visibility of Baznas' reporting activities through improved utilization of digital platforms—such as websites and social media—and through regular public outreach initiatives.

Keywords: MSMEs; Productive Zakat; Shariah Enterprise Theory

Abstrak

Zakat sejatinya adalah ibadah mahdhoh yang sudah diatur ketentuan syariatnya, maka pendayagunaan zakat jangan sampai lebih mementingkan ekonominya dan melalaikan prinsip-prinsip syariah. Tujuan penelitian ini adalah untuk menganalisis implementasi zakat produktif untuk UMKM oleh BAZNAS Kota Sukabumi berdasarkan Syariah Enterprise Theory (SET). Penelitian ini menggunakan pendekatan kualitatif deskriptif melalui wawancara, observasi dan studi dokumen, Teknik analisis data dengan cara reduksi, display dan verifikasi data. Hasil penelitian menunjukkan bahwa implementasi zakat produktif oleh BAZNAS Kota Sukabumi sektor UMKM yang di kemas dengan nama program

“Sukabumi Sejahtera” dilaksanakan dalam enam tahapan. Penelitian menunjukkan bahwa tahap verifikasi dan peninjauan lapangan dan tahap monitoring serta pendampingan menjadi tahap yang paling krusial dalam keberhasilan program Sukabumi Sejahtera ini. Implementasi zakat produktif oleh BAZNAS Kota Sukabumi sudah memenuhi semua indikator Syariah Enterprise Theory (SET), yaitu pertanggungjawaban kepada Allah SWT, kepada Directstakeholders, kepada Indirectstakeholders dan kepada Alam. Peneliti melihat adanya hal yang belum dimaksimalkan dalam pertanggungjawaban kepada indirectstakeholders, hal ini terlihat pada peningkatan perkembangan usaha para Mustahik penerima dana bantuan usaha UMKM, juga pada publikasi laporan BAZNAS yang masih bisa dimaksimalkan, hal ini terlihat dari akses website yang belum optimal dan masih jarang nya sosialisasi di ruang terbuka untuk umum. Penelitian ini mengimplikasikan perlu memaksimalkan pertanggungjawaban kepada Indirectstakeholders atau para mustahik penerima dana bantuan usaha UMKM, juga tidak kalah pentingnya perlu ditingkatkan publikasi laporan BAZNAS melalui website dan media sosial serta melakukan sosialisasi di ruang terbuka untuk umum.

Kata kunci: Syariah Enterprise Theory; UMKM; Zakat Produktif.

INTRODUCTION

Law No. 23 of 2011, Article 3, outlines the purpose of zakat as enhancing the effectiveness and efficiency of zakat fund services and management, while also increasing the impact of zakat in promoting community welfare and alleviating poverty. One of the guiding principles of zakat fund management in this law is the principle of utility, which emphasizes maximizing the benefits received by the *mustahik* (zakat recipients). In this context, the greater the benefit experienced by the *mustahik*, the more effective the zakat management is considered to be. The effectiveness of zakat in fulfilling its functions can be assessed through its distribution process. As the official government-appointed institution responsible for zakat management, BAZNAS implements two key distribution schemes: direct distribution and productive utilization (Roziq et al., 2022).

The distribution scheme primarily targets social and consumptive programs, offering short-term benefits to the *mustahik* (zakat recipients). In contrast, the utilization scheme emphasizes economic and productive initiatives, with the intention of generating sustainable benefits for the *mustahik*. When aligned with the previously mentioned utility principle, the utilization scheme is likely to yield greater benefits by channeling zakat funds into economic sectors with growth potential and by fostering recipient productivity. This approach aspires to create a more substantial and lasting impact, potentially transforming the economic status of a *mustahik* from a zakat recipient into a zakat payer (*muzakki*) (PUSKAS BAZNAS, 2019).

One form of zakat utilization in productive programs involves allocating zakat funds to support income-generating activities for the poor through the development of micro enterprises, by providing working or startup capital to individuals seeking to initiate or expand their businesses (Komisi Fatwa MUI, 1982). A micro enterprise is defined as a productive, individually owned business or sole proprietorship with capital not exceeding IDR 1 billion or annual sales below IDR 2 billion (Government Regulation No. 7, 2021). Utilizing zakat in the form of long-term investment through micro enterprise development is expected to yield more sustainable benefits and

enhance the economic self-reliance of underprivileged groups. In this way, zakat can contribute significantly to reducing social inequality, fostering inclusive economic growth, and strengthening the economic foundations of the Muslim community. Ultimately, this process may facilitate the transformation of zakat recipients into zakat payers (Zaenal, 2023).

Micro, small, and medium enterprises (MSMEs) in Indonesia face a range of internal challenges, with limited access to capital being among the most critical. Insufficient capital often hampers business expansion, restricts production capacity, and limits market reach. Furthermore, the majority of MSMEs in Indonesia are located in rural areas, where they are expected to play a key role in driving local development and stimulating economic growth. Strengthening rural MSMEs can help narrow the gap between urban and rural economies. In this context, zakat funds represent a potentially effective solution to the capital constraints experienced by MSMEs, offering an alternative financing mechanism aligned with Shariah principles (Lubis, 2022).

Micro, small, and medium enterprises (MSMEs) in Sukabumi City face challenges similar to those encountered across Indonesia, with limited access to capital being a primary concern. This issue was highlighted by the Acting Mayor of Sukabumi, Kusmana Hartadji (Radar Sukabumi, March 6, 2024), who emphasized that capital constraints hinder business development in the region. According to data from Statistics Indonesia (BPS), 7.20% of the population in Sukabumi City—equivalent to approximately 24,100 individuals—live below the poverty line (BPS, 2024).

Table 1. Poor Population of Sukabumi City in 2024

Poverty Indicators	Poverty Indicators in Sukabumi City		
	2022	2023	2024
The Population Living Below the Poverty Line	26,59	24,96	24,10
Poverty Rate	8,02	7,50	7,20
Poverty Line	594.118,00	644.276,00	678.258,00
Poverty Depth Index	1,27	1,21	0,88
Poverty Severity Index	0,38	0,31	0,18

Source: Central Statistics Agency, 2024

According to a statement by the Chairman of BAZNAS Sukabumi City to Radar Sukabumi media, the zakat potential in Sukabumi is considerable, amounting to approximately IDR 46 billion annually (Radar Sukabumi, 2023). This substantial zakat potential presents a promising opportunity to support poverty alleviation efforts in Sukabumi City, particularly through business capital assistance programs targeting MSMEs. Statistical data from BPS West Java indicates that there are approximately 5,787 MSMEs in Sukabumi City, highlighting a significant target group for such initiatives.

The discussion on zakat distribution is inherently linked to the role of zakat managers (*amil*), as zakat funds cannot effectively fulfill their intended purpose without proper administration by *amil* institutions, such as Baznas (*Badan Amil Zakat Nasional*) or LAZ (*Lembaga Amil Zakat*). These institutions serve as essential intermediaries between zakat payers (*muzakki*) and recipients (*mustahik*). It is also crucial to recognize that zakat is not merely an economic transaction but fundamentally an act of worship governed by Sharia law, requiring strict adherence to its principles and boundaries. In this regard, the present study employs Sharia Enterprise Theory (SET) as a normative framework to evaluate whether zakat distribution by official zakat organizations (OPZ) aligns with Sharia law.

The Sharia Enterprise Theory (SET), initially developed by Triyuwono, underscores the critical role of Sharia principles in guiding business and economic activities, including the implementation of productive zakat. SET integrates core Islamic ethical values—such as justice, transparency, and accountability—as foundational elements that govern business practices in accordance with Islamic teachings (Astuti, 2021).

Several studies have explored the relationship between productive zakat and MSMEs. For instance, Berlian and Awaluddin (2022) examined accountability in zakat management through the lens of Sharia Enterprise Theory. Their findings emphasize that accountability extends beyond physical or financial aspects to include spiritual and mental dimensions, which are equally vital. Focusing solely on physical accountability risks overlooking broader ethical values and may reduce assessment to material gain or loss, potentially dehumanizing the process. However, this study primarily addresses general zakat fund management and does not specifically investigate zakat utilization, particularly productive zakat. Additionally, the research was conducted in a different region, which may have distinct contextual factors and unique successes that other zakat management organizations (OPZs) could learn from (Berlian & Awaludin, 2022).

Another study by Sulistri et al. (2024) investigates the enhancement of *mustahik* welfare through optimized management and distribution of productive zakat funds. Their results indicate that, in West Kalimantan Province, the distribution of productive zakat by Baznas has yet to significantly improve *mustahik* welfare. The study attributes this to inadequate zakat management, including insufficient control and supervision, which has led to productive zakat funds being diverted to consumptive use. However, this research is geographically limited to West Kalimantan and does not incorporate the Sharia Enterprise Theory framework in its analysis (Sulistri et al., 2024).

The novelty of this research lies in its focus on Sukabumi City, a region distinguished by its strong religious character, which is embodied in the city's vision: "to realize Sukabumi City as a religious, comfortable, and prosperous city." With a Muslim population of 95.62%, Sukabumi is also known as the "City of Santri" (Islamic students), owing to the presence of numerous Islamic boarding schools that have

produced prominent scholars. This religious identity is further symbolized by the Asmaul Husna monument located in the city center (Kompaspedia, July 18, 2022). BAZNAS Sukabumi City, as an Official Zakat Institution (OPZ), has been recognized for its outstanding performance, receiving a nomination for the BAZNAS AWARD in 2022 for the best distribution increase ratio. Additionally, it won the BAZNAS AWARD for the best coordination with local governments in 2024 and for the fastest audited financial report from 2021 to 2024. These achievements motivated the selection of BAZNAS Sukabumi City as the research object and justify the use of the Sharia Enterprise Theory (SET) as an appropriate analytical framework. Furthermore, previous studies indicate that the utilization of productive zakat within the MSME sector remains underexplored and largely confined to specific sectors or regions. Given the significant contribution of MSMEs to the economy, it is crucial to deepen the study in this area. Therefore, this research aims to analyze the implementation of productive zakat in the MSME sector by BAZNAS Sukabumi City from the perspective of Sharia Enterprise Theory.

LITERATURE REVIEW

Productive Zakat

The Concept of Productive Zakat

Islam places great emphasis on all dimensions of human life, encompassing not only individual aspects but also ideology, spirituality, law, social relations, and politics, all of which are interconnected and mutually supportive. Consequently, Islam mandates not only personal acts of worship, such as prayer, but also directs individuals to fulfill their broader social and communal responsibilities. This holistic approach aims to foster prosperity both for the individual and society as a whole (Hasan et al., 2023).

One of the key instruments through which Islam seeks to achieve this societal well-being is zakat. Zakat functions as a mechanism for nurturing the Muslim community and addressing issues of poverty and social injustice (Hasanah, 2010, p. 38). Linguistically, the term zakat means to grow and increase; it also conveys the concepts of purification and righteousness (Al-Munjid, 2002, p. 303). In this sense, zakat serves to purify one's wealth from impurities and sins, while simultaneously cleansing the soul of the giver (muzakki) from negative traits such as stinginess, greed, and envy (Sulistri et al., 2024)

Zakat, which literally means growth, can be understood as a practice that enables one's wealth to grow and develop. Although the outward appearance suggests a reduction in wealth after paying zakat, in reality, it facilitates multiplication and prosperity. This concept is supported by the Quranic verse (QS Ar-Rum: 39), which states that zakat, as an act of worship, "increases and grows" wealth (Pratama & Yuni, 2020). Productive zakat specifically refers to the strategic use of zakat funds to benefit mustahik (zakat recipients) by managing and developing zakat wealth

through productive business activities. In this framework, zakat funds are employed as capital to foster business growth and improve the economic status of the mustahik (Pratama, 2023).

This approach aligns with Islamic principles that promote economic empowerment and support mustahik in achieving economic independence. The primary objective is for zakat to deliver long-term benefits by improving the well-being of mustahik and reinforcing the socio-economic function of zakat itself (Nurhasanah, 2020). A core principle of productive zakat involves providing mustahik with capital or support that enables sustainable business development. Rather than merely allowing recipients to consume zakat funds, productive zakat aims to encourage mustahik to actively manage and grow these resources (Mustikasari, 2020). By channeling zakat funds as business capital, mustahik can increase their income-generating potential, create employment opportunities, enhance economic self-reliance, and sustainably improve their living standards. This principle is consistent with zakat's broader objective of creating a lasting positive impact on mustahik and society at large (Lubis, 2022).

Legal Basis

To enhance the effectiveness of zakat in promoting societal welfare, alleviating poverty, and improving the overall quality of the ummah through the proper utilization of zakat funds in accordance with Islamic law and regulations, the National Zakat Agency (BAZNAS) issued Regulation No. 3 of 2018 on the Distribution and Utilization of Zakat. In addition, the Indonesian Ulama Council (MUI) issued a fatwa endorsing the use of zakat funds for productive purposes and the public benefit. This fatwa draws upon classical Islamic sources, including:

- a. *Al-Baijuri*, Volume 1, p. 292: "The poor may be provided with zakat funds sufficient for their life expectancy (63 years). Each recipient can then purchase agricultural land and cultivate it to fulfill their daily needs. The head of state may acquire land on their behalf (without directly giving them the zakat funds), as was done for war officials."
- b. *I'alah At-Tabilin*, Volume 2, p. 189: "The head of state can collect zakat from the poor and redistribute it in a manner that enables them to engage in trade or labor. They are given capital capable of generating profits adequate to meet their needs, or they are provided with the necessary tools for their work."
- c. Imam Nawawi in *Fiqh As-Sunnah*, Volume 1, p. 407: "Zakat funds can be allocated for public welfare under the category of *fisabilillah* (in the cause of Allah)."

The general principle in Islamic transactions (*muamalah*) is that they are permissible unless explicitly prohibited by evidence. As narrated by Imam Al-Daruqutni, the Prophet Muhammad (PBUH) stated: "Indeed, Allah has ordained certain duties, so do not neglect them; He has prohibited certain things, so do not violate them; He has set limits, so do not exceed them; and Allah has left some matters unaddressed—not out of forgetfulness—so do not probe into them."

Implementation of Productive Zakat

Umar bin Khattab, along with scholars from the Shafi'i and Hanbali schools of thought, affirmed the permissibility of utilizing zakat funds for productive purposes, provided certain criteria are met. These include compliance with Sharia, the creation of economic added value for the *mustahik*, the *mustahik's* residence within the jurisdiction of the zakat management institution, beneficiaries meeting the criteria of *mustahik* either individually or as groups, and ongoing support and guidance from zakat management institutions located in the *mustahik's* area (Tim penulis Fikih Zakat Kontekstual Indonesia, 2018).

In the context of productive zakat, the management and development of zakat funds are entrusted to institutions or individuals possessing expertise and experience in business and economics. The returns generated from managing these funds are subsequently distributed to the *mustahik*. However, the successful implementation of productive zakat necessitates adequate supervision and guidance to ensure that funds are utilized effectively and in accordance with Sharia principles. Zakat managers and institutions bear the responsibility of ensuring proper allocation and preventing any violations of Islamic law (Aderemi & Ishak, 2020).

Yusuf al-Qaradawi's perspective on the development of zakat funds closely aligns with the concept of productive zakat as previously described. In his book, he elaborates that zakat funds can be developed productively and sustainably through various means such as establishing businesses, factories, industries, purchasing agricultural land, and other ventures aimed at generating stable income sources for the *mustahik*. Within this framework, zakat institutions function as trustees managing zakat funds to support the economic sustainability of the *mustahik* (Qardhawi, 2011).

A critical principle underpinning this approach is the preservation of ownership rights. The *mustahik's* entitlement to the income generated from zakat fund development cannot be transferred or sold to others, thereby establishing a system akin to waqf (endowment) property, where ownership remains with the beneficiary. The overarching goal is to develop zakat funds progressively without contravening Sharia, ultimately providing *mustahik* with a stable, sustainable income stream and ensuring their long-term welfare.

Yusuf al-Qaradawi's opinion on the development of zakat funds is grounded in the *istinbat* method, relying on the interpretation favored by Abu Sulaiman Khitabi. He also cites the Hadith of Qabisah as a foundational basis for his view. This Hadith indicates that zakat may be allocated to those suffering calamities or the poor until they become self-sufficient or capable of meeting their needs. Al-Qaradawi argues that the productive development of zakat funds can empower *mustahik* to achieve economic independence and self-sufficiency (Qardhawi, 2011).

By utilizing zakat funds to establish businesses or develop sustainable income sources, *mustahik* can generate adequate earnings, thereby reducing their reliance on zakat support. The Hadith's notion of "sufficiency" admits two interpretations:

firstly, sufficiency may refer to meeting basic needs for a finite period, such as one year; secondly, it may imply achieving continuous or permanent self-sufficiency. The appropriate interpretation depends on the contextual and comprehensive understanding of zakat principles (Arifin & Purnamasari, 2022).

Caliph Umar bin Khattab provides a historical precedent for zakat distribution in the form of capital assistance aimed at enabling the poor to achieve economic independence. He distributed zakat to the needy in the form of livestock and other productive resources intended to serve as capital, thereby supporting their livelihoods sustainably (Abu Ubaid, 2009)

The principle adopted by Umar bin Khattab was to allocate zakat in a manner that would transform recipients into economically self-reliant individuals, eliminating their future need for zakat or external assistance. This approach aligns closely with the fundamental purpose of zakat, which is to empower *mustahik* and facilitate sustainable poverty alleviation. Imam Abu Ubaid supports this perspective by referring to *dalil naqli* (textual evidence from religious sources) alongside rational reasoning. This practice substantiates the argument that within zakat distribution, the concept of “sufficiency” may be understood as providing resources sufficient for a lifetime or, at minimum, in a sustainable manner (Abu Ubaid, 2009).

Nevertheless, it is important to recognize that interpretations and applications of zakat practices may vary according to context and the reasoning employed by different scholars. While historical examples offer valuable guidance, contemporary zakat management may differ in methods and implementation to address specific social, economic, and community needs effectively (Qardhawi, 2011).

Forms of Productive Zakat Programs

The utilization of zakat in the economic sector encompasses the distribution of zakat funds aimed at poverty alleviation, fostering entrepreneurship, and improving the welfare of *mustahik*. Economic empowerment programs focus on enhancing the income of *mustahik* through targeted interventions such as capital provision, production support, and marketing assistance. The ultimate objective of these programs is to enable *mustahik* to develop sustainable businesses that generate sufficient income to fulfill their living needs (Sugeng & Trisna Puspita, 2022). There are several priority programs for economic empowerment, including:

1. Ultra Micro Business: 8,000,000
2. Micro Business: 10,000,000
3. Santripreneur: 5,000,000
4. Qardhul Hasan: 3,000,000
5. Agriculture: 5,000,000
6. Livestock: 5,000,000
7. Other programs: 3,000,000

The BAZNAS Microfinance Program, known as *Bank Zakat Mikro* (BZM), is a notable initiative that offers *Qardhul Hasan* (interest-free) financing to *mustahik* to support the development of their existing businesses. This financing is provided on a non-profit basis. Upon receiving the funds, *mustahik* are required to repay the financing monthly according to an agreed schedule, with repayments subsequently recycled as additional capital to assist other beneficiaries (Puskas BAZNAS, 2023).

Utilization of Zakat for MSMEs

Law No. 11 of 2020 concerning Micro, Small, and Medium Enterprises (MSMEs) defines a Micro Business as a productive enterprise that fulfills the criteria specified within the law. In contrast, a Small Business is described as an independent productive economic enterprise, operated by an individual or business entity, which is not a subsidiary or branch of a company owned, controlled by, or affiliated with a Medium or Large Enterprise, and meets the statutory criteria for a Small Business. The law further specifies that a Micro Business is characterized by having total assets of up to IDR 50 million or annual sales not exceeding IDR 300 million. Meanwhile, a Small Business is defined as an enterprise with total assets exceeding IDR 50 million but not exceeding IDR 500 million, or with annual sales ranging from more than IDR 300 million up to IDR 2.5 billion. From a business perspective, MSMEs can be classified into four categories:

1. Informal MSMEs, such as street vendors.
2. Micro MSMEs, which have artisanal skills but lack entrepreneurial spirit to expand their business.
3. Dynamic Small Businesses, MSMEs that can collaborate (through subcontracting) and engage in exports.
4. Fast Moving Enterprises, MSMEs with strong entrepreneurial skills and ready to become large businesses.

BAZNAS prioritizes the empowerment of MSMEs, with a particular focus on informal sector enterprises operating below the poverty line, as well as those experiencing bankruptcy. (Mustikasari, 2020).

The utilization of zakat for MSMEs refers to BAZNAS Regulation No. 3 of 2018 on the Distribution and Utilization of Zakat. Zakat in the economic sector can be provided in the form of assistance aimed at alleviating poverty, increasing production capacity, entrepreneurship, and improving the welfare of zakat beneficiaries. It also includes community-based empowerment of *mustahik* and leveraging local economic potential (BAZNAS, 2018).

This assistance is carried out in several stages:

1. Planning Stage: This stage encompasses social analysis, problem analysis, goal analysis, stakeholder analysis, and strategy analysis. During this phase, a program planning matrix, a work plan, and an annual budget for zakat utilization are also developed.
2. Implementation Stage: This stage includes the preparation of program proposals, as well as the acceptance of proposals submitted by communities, individuals,

groups, or government and private institutions. Applications may also be received from other zakat management agencies.

3. Control Stage: This stage involves the verification of programs, the evaluation of mustahik (eligible beneficiaries), and the assessment of target areas. The aim is to ensure that zakat utilization is consistent with the program's objectives and adheres to Islamic law. Monitoring and evaluation are conducted periodically, based on programmatic needs (BAZNAS, 2018).

Productive Zakat through *Qardhul Hasan* Scheme

Scholars differ in their opinions regarding the permissibility of providing loans from zakat funds to *mustahik*, particularly for business capital or within the framework of productive zakat. However, when evaluated through proper *qiyas* (analogical reasoning) and aligned with the overarching objectives (*maqasid*) of zakat, Yusuf al-Qaradawi argues that offering interest-free loans is permissible under the category of *gharimin* (those in debt). He emphasizes that such schemes must be carefully structured and sourced from a designated zakat fund to counteract the conventional loan system, which is often based on interest and usury. This view is supported by other prominent scholars, including Abu Zahrah, Khallaf, and Hasan, who reason that if zakat may be used to pay off existing debts, it is even more justifiable to provide loans from zakat on an interest-free basis (Qardhawi, 2011).

According to Islamic jurisprudence, zakat funds belong entirely to the *mustahik*. Therefore, the *qardhul hasan* (benevolent loan) model can be implemented as part of a productive zakat strategy. This model involves extending loans without any requirement for profit or interest. If the recipient is unable to repay the principal, Islamic law holds that they cannot be held liable, as zakat is considered their rightful entitlement. *Qardhul hasan* sourced from zakat is primarily used to support microenterprises and address urgent social needs. In addition to zakat, practitioners in Islamic economics and finance—as well as some scholars—have suggested the use of other non-zakat funds, such as those with uncertain halal status, to support this scheme.

The implementation of productive zakat through the *qardhul hasan* model has the potential to economically and socially uplift the poor and unemployed by transforming them into productive members of society. Consequently, zakat serves not only a charitable function but also contributes to reducing unemployment, homelessness, crime, and other socio-economic challenges (Hanif et al., 2023).

Sharia Enterprise Theory (SET)

Concept of Sharia Enterprise Theory

This theory internalizes Islamic values by establishing the principle that human actions—both in relation to nature and in interactions with others—are inherently connected to one's relationship with God. Allah is acknowledged as the ultimate source and sole owner of all resources. Stakeholders within the framework

of the Shariah Enterprise Theory (SET) recognize that the resources in their possession are, in fact, a trust (*amanah*) from Allah and must be utilized in accordance with His divine purposes (Berlian & Awaludin, 2022).

SET introduces key concepts related to the social responsibility of institutions, including the reporting of zakat. Institutions are expected to act responsibly in managing entrusted resources, which entails transparent and accountable reporting of zakat collection and disbursement in line with Shariah principles. SET thus offers a comprehensive framework to ensure that organizational operations conform to Islamic values while fulfilling their broader social obligations (Asyifa & Wahyuddin Abdullah, 2023). This study adopts the SET framework to analyze the utilization of zakat by Baznas in Sukabumi City, based on the rationale that consistent adherence to Shariah principles promotes transparency, accountability, and public trust in zakat management institutions (Author Team, 2018).

Principles of Sharia Enterprise Theory

In SET, accountability is not only focused on individual interests but also involves God, humanity, and the environment (Alfia et al., 2018).

Accountability to God

Allah is the true owner of everything in the universe. Humans are entrusted with responsibilities and will be held accountable for the potential Allah has given them (Masyhuri, 2020).

وَلِلّٰهِ مَا فِي السَّمٰوٰتِ وَمَا فِي الْاَرْضِ لِيَجْزِيَ الَّذِيْنَ اَسَاءُوْا بِمَا عَمِلُوْا وَيَجْزِيَ الَّذِيْنَ اَحْسَنُوْا بِالْحُسْنٰى

And to Allah belongs whatever is in the heavens and whatever is in the earth - that He may recompense those who do evil with [the penalty of] what they have done and recompense those who do good with the best [reward]. (QS Al-Najm: 31)

لَهُ مَا فِي السَّمٰوٰتِ وَمَا فِي الْاَرْضِ وَمَا بَيْنَهُمَا وَمَا تَحْتَ الثَّرَى

To Him belongs what is in the heavens and what is on the earth and what is between them and what is under the soil.

In the Shariah worldview, God is positioned as the central and ultimate purpose of human existence. For Muslims, all forms of activity—whether in work, trade, agriculture, or daily life—are performed with the awareness that these actions constitute acts of worship and expressions of devotion to Allah SWT (Qardhawi, 2011).

By recognizing God as the highest and most important stakeholder, Shariah Enterprise Theory (SET) emphasizes the concept of "awakening divine consciousness." This principle calls for institutions to embed respect for God in their operational and strategic activities. In practice, this can be manifested through

various religiously aligned initiatives, such as the proper management and distribution of zakat funds, support for religious programs, and active participation in enhancing spiritual awareness within the community (Alfia et al., 2018).

By prioritizing God's interests as the supreme stakeholder, SET establishes a framework that encourages Shariah-compliant institutions to operate in accordance with Islamic principles. This alignment aims to achieve sustainability and balance between the interests of humanity, the divine, and the natural environment (Ermianti & Abdullah, 2021).

Accountability to Stakeholders

The second category of stakeholders in the Shariah Enterprise Theory (SET) is human beings, who are further classified into two groups: direct and indirect stakeholders (Risal, 2022). Direct stakeholders include individuals or entities that contribute directly to the institution, such as management, donors (muzakki), employees, and government bodies. Engagement with direct stakeholders can be implemented in several ways. For instance, for donors, institutions can enhance transparency and accountability by producing newsletters or detailed financial reports that outline the organization's performance and the outcomes of zakat, infak, and sadaqah fund management over a defined period. For employees, institutions can provide health benefits, professional development opportunities, and career advancement programs, thereby contributing to their overall well-being and quality of life (Arifah, 2021).

Indirect stakeholders refer to those who do not contribute directly to the institution but are entitled to welfare support under Shariah principles, such as zakat recipients (mustahik) and the broader community. Practical implementation of this support may include programs for micro-enterprise development and economic empowerment (Astuti, 2021).

By addressing the needs of both direct and indirect stakeholders, SET ensures that institutions prioritize not only financial performance but also social welfare. This dual consideration underscores SET's commitment to promoting a holistic balance among economic, social, and environmental dimensions within a framework rooted in Islamic ethical values (Kusmilawaty et al., 2024).

Accountability to Nature

The Quran has conveyed much about natural wealth through its verses, encouraging humans to utilize these natural resources. This earth has been made subservient to humanity by Allah, to be utilized to the best of our ability (Qardhawi, 2011).

اللَّهُ الَّذِي خَلَقَ السَّمُوتِ وَالْأَرْضَ وَأَنْزَلَ مِنَ السَّمَاءِ مَاءً فَأَخْرَجَ بِهِ مِنَ الثَّمَرَاتِ رِزْقًا لَكُمْ وَسَخَّرَ لَكُمُ الْفُلْكَ لِتَجْرِيَ فِي الْبَحْرِ بِأَمْرِهِ وَسَخَّرَ لَكُمُ الْأَنْهَارَ ﴿٣٣﴾
لَكُمْ الشَّمْسُ وَالْقَمَرُ دَائِبَيْنِ وَسَخَّرَ لَكُمُ اللَّيْلَ وَالنَّهَارَ ﴿٣٤﴾

It is Allah who created the heavens and the earth and sent down rain from the sky and produced thereby some fruits as provision for you and subjected for you the ships to sail through the sea by His command and subjected for you the rivers. And He subjected for you the sun and the moon, continuous [in orbit], and subjected for you the night and the day. (QS Ibrahim: 32-33)

Nature contributes to the sustainability of companies, providing the energy required by businesses, among other things. It also represents the physical environment in which institutions operate. However, nature does not have the desire to receive wealth distribution from institutions in the form of money. Therefore, the focus should be on caring for the sustainability of the environment.

The implementation of environmental concern within the Shariah Enterprise Theory (SET) can be carried out in various ways. For instance, institutions can run reforestation programs, prevent pollution by managing waste, and implement financing policies that take the environment into account. Additionally, institutions can raise environmental awareness among their employees. By considering the interests of nature as a stakeholder in SET, institutions can practice sustainable resource management and contribute to the overall preservation of the environment (St Nur Rahma & Siradjuddin, 2022).

RESEARCH METHOD

This study adopts a descriptive qualitative approach combined with a literature review. This research method is designed to explore and understand phenomena or events in depth and detail, focusing on how a phenomenon unfolds, what occurs, and the significance it holds for the individuals or groups involved. As noted by Bogdan and Taylor (1982), qualitative research generates descriptive data in the form of written or spoken words from individuals, as well as observable behaviors. In this type of research, the investigator engages directly with participants over a period of time to explore their backgrounds, habits, behaviors, and both physical and psychological characteristics. Bogdan and Taylor highlight several key features of qualitative research: it is conducted in natural settings, emphasizes descriptive (rather than numerical) data, relies on inductive data analysis, and prioritizes the meaning and interpretation of human experiences.

In this study, primary data were collected from various sources, including the management of BAZNAS Sukabumi City, beneficiaries (mustahik) receiving business capital assistance for MSMEs, employees of the Central Statistics Agency (BPS) of

Sukabumi City, and personnel from the Cooperatives and MSMEs Office of Sukabumi City, among others. Secondary data were obtained from a range of literature, including academic journals and books related to productive zakat, MSME development, and Shariah Enterprise Theory (SET). Data collection methods included interviews, observations, questionnaires, document analysis, and triangulation to ensure the credibility and reliability of the findings. The data analysis followed the model proposed by Miles and Huberman (1984), which involves three key components: data reduction, data display, and conclusion drawing/verification.

RESULTS AND DISCUSSION

Implementation of Productive Zakat by BAZNAS of Sukabumi City in the MSME Sector

Foundation of Productive Zakat in the MSME Sector

Based on data collected by the researcher and interviews with Alfi Abdul Gandi, a staff member in the Distribution and Utilization Division of BAZNAS Sukabumi City, it was found that BAZNAS allocates zakat, infaq, and sadaqah funds toward productive sectors. This practice is grounded in the regulation PerBAZNAS No. 3 of 2018. BAZNAS implements two main zakat disbursement schemes: distribution and utilization. According to this scheme, 70% of the funds are allocated for direct distribution, while the remaining 30% are designated for productive utilization initiatives.

...The basis is PerBAZNAS Number 3 of 2018 concerning the Distribution and Utilization of Zakat Funds. According to this regulation, 30% of the total zakat income must be allocated for utilization, while 70% is for distribution. The regulation mandates that at least 30% must be used for utilization, and the prioritization should be based on which between distribution and utilization is more urgently needed. (Alfi in interview with author, 5th of August 2024)

Furthermore, BAZNAS Sukabumi City is committed to distributing zakat funds in an effective, efficient, and innovative manner, with the ultimate goal of empowering *mustahik* (zakat recipients) to become prosperous and dignified members of society. In alignment with this objective, BAZNAS prioritizes the *asnaf* categories of the poor (*fuqara'*) and the needy (*masakin*)—as outlined in Surah At-Taubah, verse 60—as primary beneficiaries of productive zakat initiatives. The poor are defined as individuals who, due to their circumstances, are unable to earn sufficient income to meet their basic needs—such as food, clothing, and shelter—through no fault of their own. In contrast, the needy are those who may be employed or have some form of income, yet still fall short of fulfilling their own and their family's essential requirements.

Productive Zakat Programs for the MSME Sector

Based on interviews conducted with administrators of BAZNAS Sukabumi City, the researcher found that the utilization of productive zakat is implemented through

programs aimed at improving household economies among underprivileged families. This is achieved by providing support for productive enterprises, business infrastructure, working capital, and initiatives that enhance overall family welfare. A central objective of the program is to stimulate real sector development and foster the emergence of new entrepreneurs. Ultimately, the program aspires to empower *mustahik* (zakat recipients) to become *munfiq* (voluntary charitable givers) and eventually *muzakki* (obligatory zakat payers).

This economic empowerment initiative is formally known as “*Sukabumi Sejahtera*” (Prosperous Sukabumi). The program targets individuals from the *asnaf* categories of the poor and needy, providing support for a range of productive business activities such as trade, garment production, agriculture, livestock rearing, home-based crafts, service enterprises, and other micro-enterprise ventures. The key components of the program include:

1. Development of business support (Capital and Infrastructure)

This activity involves providing capital assistance to community members—prioritizing groups—in the form of either financial support or in-kind contributions. The amounts of assistance are as follows: Individual business capital assistance: up to IDR 500,000

- a. Start-up business capital assistance: up to IDR 1,500,000
- b. Independent business capital assistance: up to IDR 3,000,000
- c. Empowered business capital assistance: up to IDR 5,000,000

2. Development of Mustahik Business Legality

This is an activity that provides assistance for business development to increase capacity and legality, whether for individuals or groups. The assistance ranges from IDR 1,000,000 to IDR 10,000,000.

3. Strengthening Mustahik Family Economy

This activity involves providing special assistance to third parties to implement the Mustahik Family Economy Strengthening program, with amounts ranging from IDR 5,000,000 to IDR 25,000,000.

4. Partnership for Training and Business Mentorship

This activity involves organizing entrepreneurial training and mentoring for entrepreneurs who have received assistance. All of these programs have been implemented with their respective strengths and weaknesses.

Standard Operating Procedure (SOP) for Productive Zakat Utilization in the MSME Sector

BAZNAS Sukabumi City has established a Standard Operating Procedure (SOP) for implementing the Productive Zakat Utilization Program within the MSME sector, specifically focusing on Micro Business Capital Assistance. This SOP is grounded in relevant laws and regulations, including:

1. Law No. 23 of 2011 concerning zakat management
2. Government Regulation No. 14 of 2014 concerning the implementation of Law No. 23 of 2011
3. Director General of Islamic Community Guidance Decree No. DJ.II/568/2014 concerning the establishment of BAZNAS at the regency/city level in Indonesia
4. PerBAZNAS No. 03 of 2018 concerning the distribution and utilization of zakat.

In practice, the implementation of the Productive Zakat Utilization Program in the MSME sector begins with outreach efforts by BAZNAS Sukabumi City. These efforts include socialization through social media platforms, announcements at sub-district offices, and dissemination via community networks. Following this, the program is executed in accordance with the Standard Operating Procedure (SOP) ratified by BAZNAS Sukabumi City, as outlined below:

1. Application Submission

At this stage, applicants—either individuals or groups engaged in MSMEs—submit a business assistance application to BAZNAS Sukabumi City. This application must be endorsed by the local sub-district head and accompanied by the following documents: Photocopy of ID card (*KTP*) and Family card (*KK*)

- a. Certificate of Poverty (*SKTM*)
- b. Business Certificate (*SKU*)
- c. Business budget plan (*RAB*)
- d. Statement confirming that the applicant has not received any social assistance from the government, that family income is a maximum of IDR 2 million/month, and a statement signed by the local neighborhood and community leaders (*RT/RW*)
- e. Photos of the product and business location

2. Verification and On-site Assessment by the Assessment Team

Following the submission of applications, the next phase involves verification and an on-site visit conducted by the assessment team. Initially, the team reviews the submitted documents to ensure completeness and accuracy. Subsequently, they conduct field visits to validate the information against the actual conditions on-site. This verification and assessment process is crucial, as applicants are required to present an accurate and truthful account of their business circumstances. The findings from this evaluation serve as the primary basis for the leadership of BAZNAS Sukabumi City to approve or reject the business capital assistance application.

3. Verification Report and Recommendation

Upon completing the verification and on-site assessment, the evaluation team submits a report, including their recommendations, to the head of the Distribution and Utilization Division for further consideration and action.

4. Processing of Verification Results and Recommendations

The subsequent step involves the head of the Distribution and Utilization Division analyzing the verification results and the assessment team's recommendations to determine whether to approve or reject the application, as well as to decide the appropriate amount of assistance to be granted.

5. Disbursement of Assistance

The final stage involves the disbursement of business capital assistance to approved MSME applicants. This distribution may occur either directly or during a designated event, as determined by BAZNAS leadership. The amount disbursed is based on the initial budget plan (RAB) submitted by the applicant and the recommendations of the assessment team. However, in some cases, the disbursed amount may differ from the proposed budget due to applicants' overestimation of required funds or differing evaluations by the assessment team.

6. Monitoring and Evaluation

Following the disbursement of business capital assistance to MSMEs, the subsequent process involves monitoring and evaluation. Monitoring consists of tracking the progress and development of recipient businesses, while evaluation focuses on assessing the overall effectiveness of the program and identifying areas for improvement. Based on interviews conducted by the researcher with several MSME beneficiaries—including Mrs. Rodiah and others—the majority reported that the capital assistance program provided by BAZNAS Sukabumi City had a significant positive impact on their business operations.

...The business capital assistance fund from BAZNAS of Sukabumi City helped me in starting my business. (Rodiah in interview with author, 14th of August 2024)

In addition to serving as working capital, the assistance provided was also utilized to improve facilities and infrastructure supporting recipients' businesses. Some beneficiaries even launched new enterprises with the support, thereby helping to mitigate unemployment. However, some mustahik expressed concerns regarding discrepancies between the amount of assistance received and the amount initially applied for. Additionally, there were cases where recipients with smaller businesses received larger sums than others with more substantial operations. This issue highlights the need for BAZNAS Sukabumi City, as the fund manager, to enhance the selectivity and rigor of its field assessments to ensure that assistance is allocated in accordance with the scale and needs of each business, thereby minimizing similar inconsistencies in the future. Regarding monitoring and evaluation, recipients reported that BAZNAS Sukabumi City consistently tracks their business progress, either through direct visits to business sites or via indirect communication such as phone calls and messages.

The Impact of BAZNAS Sukabumi's Business Capital Assistance on MSME Actors

According to the researcher's findings from interviews with MSME entrepreneurs who received business capital assistance from BAZNAS Sukabumi City, the "Sukabumi Sejahtera" program has had a notably positive impact on their businesses. The program contributed to reducing unemployment and improving the overall welfare of the recipients. With this support, MSMEs were able to concentrate on developing high-value products that align with market demands, thereby enhancing their competitiveness.

A notable example is Mrs. Rodiah, an MSME entrepreneur from Jayaraksa Village, Sukabumi City, West Java, who expressed deep gratitude for the growth of her business. As a single mother of four children who lost her husband, Mrs. Rodiah faced the full responsibility of supporting her family. Through the business capital assistance provided by BAZNAS Sukabumi City under the Sukabumi Sejahtera program, she was able to establish a peanut processing enterprise named "Kacsu," an abbreviation of Kacang Susu (Milk Peanuts).

...Alhamdulillah, the milk-coated peanut business that I run is growing steadily. The assistance from BAZNAS has been very helpful for my business. (Rodiah in interview with author, 14th of August 2024)

The 48-year-old entrepreneur shared that her business currently sells approximately 100 jars of product each month. She expressed deep gratitude, noting that her business now serves as the primary source of income for herself and her four children, who previously depended on her late husband for daily sustenance. To enhance market appeal, Mrs. Rodiah has adopted full-color standing pouch packaging and markets her product through consignment at local souvenir centers in Sukabumi.

In managing her business, Mrs. Rodiah attributes her success to divine support. She firmly believes that it is God who blesses her efforts—making her product flavorful, appealing to customers, and motivating purchases. She dedicates herself wholeheartedly to her work, viewing it as a form of devotion aimed at earning God's favor and guidance.

The income generated from her peanut business is used to cover daily living expenses, support her children's education, contribute to religious activities, give to charity, and save for her pilgrimage. She strongly believes that the success of an MSME depends primarily on the entrepreneur's own initiative and mindset. While external support such as capital, infrastructure, and mentoring is important, she emphasized that these resources are ineffective without a strong internal drive and entrepreneurial spirit. She concluded by expressing her sincere appreciation to BAZNAS Sukabumi City and to the *muzakki* (donors) who enabled the growth of her business through the Sukabumi Sejahtera program.

In addition to Mrs. Rodiah, another MSME entrepreneur who has benefited from the program is Mrs. Mamay Maemunah, a 41-year-old resident of Cipelang Leutik Street, Sukabumi City. Her primary product is *telor gabus* (cheese sticks), along

with a variety of other dry and wet snacks. Mrs. Mamay received business capital assistance from BAZNAS Sukabumi City, which she used to upgrade her production equipment. She acknowledged that this support played a significant role in the growth and development of her business, particularly during a difficult period following her husband's layoff.

...The business capital assistance from BAZNAS of Sukabumi City has been very helpful for the growth of my business, especially after my husband was laid off from work. (Mamay in interview with author, 14th of August 2024)

Mrs. Mamay's *telor gabus* product has achieved distribution beyond West Java, reaching other provinces and islands in Indonesia, including Surabaya, Kalimantan, and Bali. Remarkably, she does not utilize electronic media for marketing; instead, she relies entirely on word-of-mouth promotion, complemented by branded packaging that includes her contact information. On average, she sells between 2 to 4 kilograms of product daily, amounting to approximately 60 kilograms per month.

As a mother of two, Mrs. Mamay conducts her business guided by a strong sense of gratitude, regardless of whether her income is high or low. She consistently allocates a portion of her earnings to support orphans and contribute to community-based social activities. She also expressed her heartfelt appreciation to Allah, as well as to BAZNAS Sukabumi City and the *muzakki* (donors), for their role in helping her business grow and sustain her family.

Analysis of the Implementation of Productive Zakat by BAZNAS Sukabumi in the Perspective of the Shari'ah Enterprise Theory (SET)

The implementation of the Shariah Enterprise Theory (SET) in zakat fund management is reflected in the allocation of responsibilities undertaken by the administrators—in this case, BAZNAS Sukabumi City. Zakat funds are managed with integrity and in strict accordance with Islamic law, ensuring that their distribution to *mustahik* (eligible recipients) aligns with Shariah principles. Administrators are also required to produce accountability reports for internal stakeholders to facilitate program evaluation and continuous improvement. In addition, public accountability is maintained through various media platforms, where BAZNAS highlights its social initiatives and activities. SET further emphasizes responsibility toward the environment, recognizing nature as a vital source of life. In this context, a portion of zakat funds is allocated for environmental preservation efforts. Overall, zakat fund management under the SET framework embodies a commitment to ethical, moral, and Islamic values (Ermiati & Abdullah, 2021).

Accountability to Allah

Allah is regarded as the highest entity and the ultimate goal of human existence; thus, all rules and practices must be grounded in His divine commands. Recognizing Allah as the supreme stakeholder is central to the Shariah Enterprise Theory (SET), as He is the Creator and Sustainer of all that exists. The foundational concept of *Tawhid*—the oneness of Allah—underpins SET and affirms that humans,

as khalifah (stewards) on Earth, are entrusted with the responsibility to manage, not own, resources. Ultimately, all human actions, including the management of zakat, are forms of devotion and will be subject to divine accountability.

Based on the researcher's observations, BAZNAS Sukabumi City has demonstrated an awareness of this theological and ethical framework, as reflected in its implementation of productive zakat for the MSME sector through the following initiatives:

1. Upholding noble values practiced by all BAZNAS officers, from the highest to the lowest levels, in carrying out all activities, including the management of productive zakat for MSMEs. These values are:
 - a. **Taqwa**: BAZNAS of Sukabumi City performs its duties as an act of worship to Allah and will be accountable for them.
 - b. **Shiddiq**: BAZNAS of Sukabumi City is a transparent organization that provides accountability for its performance according to clear standards and measures.
 - c. **Tabligh**: BAZNAS of Sukabumi City builds synergy among all zakat potentials in the region to promote the well-being of the recipients (*Mustahik*).
 - d. **Amanah**: BAZNAS of Sukabumi City is an honest organization with integrity in managing zakat.
 - e. **Fathonah**: BAZNAS of Sukabumi City continuously innovates in serving the public and managing zakat based on technology.

These five values drive the entire work of BAZNAS of Sukabumi City and are instilled in the MSME actors who receive business capital assistance.

2. Obedience to Allah in the Distribution of Zakat for Productive Use in the MSME Sector

BAZNAS Sukabumi City allocates zakat funds to the MSME sector in accordance with Allah's command as outlined in Surah At-Taubah, verse 60, which specifies eight categories of eligible recipients (*asnaf*), with particular emphasis on the poor (*fuqara'*). This principle is operationalized through a structured screening process and on-site verification conducted by an assessment team, ensuring the accuracy and eligibility of each application in alignment with Shariah guidelines.

3. Empowering Muslims to Work as Commanded in Surah Al-Qasas verse 77 and Al-Jumu'ah verse 10

BAZNAS Sukabumi City has empowered the poor by providing them with sustainable livelihoods through business capital assistance, enabling them to avoid unemployment and dependence on charity, while offering a viable path out of poverty. In line with Allah's command, beneficiaries are encouraged to pursue success in the hereafter while also striving for well-being in this world.

وَابْتَغِ فِيمَا آتَاكَ اللَّهُ الدَّارَ الْآخِرَةَ وَلَا تَنْسَ نَصِيبَكَ مِنَ الدُّنْيَا وَأَحْسِنْ كَمَا

أَحْسَنَ اللَّهُ إِلَيْكَ وَلَا تَبْغِ الْفُسَادَ فِي الْأَرْضِ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ ﴿٧٧﴾

But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world. And do good as Allah has done good to you. And desire not corruption in the land. Indeed, Allah does not like corrupters." (QS. Al-Qasas: 77)

فَإِذَا قُضِيَتِ الصَّلَاةُ فَانْتَشِرُوا فِي الْأَرْضِ وَابْتَغُوا مِنْ فَضْلِ اللَّهِ وَاذْكُرُوا اللَّهَ
كَثِيرًا لَعَلَّكُمْ تُفْلِحُونَ ﴿١٠﴾

And when the prayer has been concluded, disperse within the land and seek from the bounty of Allah, and remember Allah often that you may succeed. (QS. Al-Jumu'ah: 10)

4. Supporting the *Mustahik*, the Poor and Needy, in Seeking Halal Livelihoods

Based on the researcher's interviews and observations, BAZNAS Sukabumi City provides business capital assistance exclusively to MSMEs engaged in halal (permissible) business activities, in strict accordance with the commands of Allah SWT as stated in Surah Al-Mu'minun (23:51) and Surah Al-Baqarah (2:172).

يَا أَيُّهَا الرُّسُلُ كُلُوا مِنَ الطَّيِّبَاتِ وَاعْمَلُوا صَالِحًا إِنِّي بِمَا تَعْمَلُونَ عَلِيمٌ ﴿٥١﴾

[Allah said], "O messengers, eat from the good foods and work righteousness. Indeed, I, of what you do, am Knowing. (QS. Al-Mu'minun: 51)

يَا أَيُّهَا الَّذِينَ آمَنُوا كُلُوا مِنْ طَيِّبَاتِ مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِنْ كُنْتُمْ تَعْبُدُونَ ﴿١٧٢﴾

O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship. (QS. Al-Baqarah: 172)

Accountability to Stakeholders

Stakeholders in zakat management are divided into two categories: direct stakeholders and indirect stakeholders. Direct stakeholders are those who contribute directly to the institution, including management, muzakki (donors), employees, and the government. In this context, the researcher found that BAZNAS Sukabumi has fulfilled its accountability obligations to these stakeholders through several key activities. These include submitting direct accountability reports to the local government of Sukabumi, to BAZNAS at both the provincial and national levels, and to representatives of muzakki in Sukabumi concerning the management of productive zakat funds allocated to MSMEs. Additionally, BAZNAS Sukabumi organizes annual meetings with all stakeholders, held at the Islamic Center building in Sukabumi. This practice of accountability not only enhances transparency but also

functions as an essential evaluation tool for improving the institution's zakat fund management within the region.

Indirect stakeholders are those who do not contribute directly to the institution but possess a Shariah-based right to benefit from its welfare services; this group includes *mustahik* (zakat recipients) and the general public. In this regard, BAZNAS Sukabumi fulfills its accountability by channeling zakat funds to *mustahik* through the Sukabumi Sejahtera program, which supports MSME development. The program is implemented through a structured and transparent process that reflects the institution's accountability to its beneficiaries. Furthermore, BAZNAS Sukabumi extends its accountability to the broader public by publishing activity and financial reports through various media platforms in Sukabumi, thereby ensuring that information is accessible and promoting institutional transparency within the wider community.

Accountability to the Environment

The environment, or the Earth, constitutes the physical setting in which an institution operates, consumes energy, and utilizes natural resources for production and other activities. This principle highlights the environment's integral role in the accountability framework outlined by Shari'ah Enterprise Theory. Furthermore, the Quran underscores the imperative of environmental preservation and explicitly warns against its destruction, as stated in Surah Al-A'raf, verse 56.

وَلَا تُفْسِدُوا فِي الْأَرْضِ بَعْدَ إِصْلَاحِهَا وَادْعُوهُ خَوْفًا وَطَمَعًا إِنَّ رَحْمَتَ اللَّهِ قَرِيبٌ
مِّنَ الْمُحْسِنِينَ ﴿٥٦﴾

And cause not corruption upon the earth after its reformation. And invoke Him in fear and aspiration. Indeed, the mercy of Allah is near to the doers of good. (QS. Al-A'raf: 56)

The findings from the researcher's interview with Baznas Sukabumi City indicate that environmental preservation and ecosystem maintenance are addressed through the institution's active participation in providing tree seedlings for reforestation efforts. In relation to the utilization of productive zakat for Micro, Small, and Medium Enterprises (MSMEs), Baznas Sukabumi City offers counseling, guidance, and business assistance to recipients of business capital support. This includes educating beneficiaries on maintaining hygiene during the production process by properly disposing of production waste, using environmentally safe production materials, and ensuring workplace cleanliness to promote health and attract consumers. The implementation of productive zakat by Baznas Sukabumi City, viewed through the lens of Shariah Enterprise Theory, is summarized in Table 2.

Table 2. Realization of SET Indicators

SET Indicator	Realization
Accountability to Allah SWT	All processes are based on the values of <i>Takwa, Fathonah, Shiddiq, Amanah, and Tabligh</i> .
	Business capital aid is allocated to the appropriate <i>Mustahik</i> according to At-Tawbah verse 60.
	Empowering the Muslim community through work as commanded by Allah in Surah Al-Qashash verse 77 and Al-Jumu'ah verse 10.
	Supporting the <i>Mustahik</i> who are poor to seek halal livelihoods.
Accountability to Direct Stakeholders	Providing direct accountability reports to the government, specifically the local government of Sukabumi, to the provincial and national BAZNAS, and to representatives of the <i>muzakki</i> .
	Holding routine meetings for reporting and evaluation annually with all stakeholders at the Islamic Center building.
Accountability to Indirect Stakeholders	Utilizing productive zakat for MSMEs through the Sukabumi <i>Sejahtera</i> program for the <i>Mustahik</i> .
	Producing reports that are published in various media outlets so that they can be accessible to the wider community.
Accountability to the Environment	Participating in providing tree seedlings for reforestation.
	Conducting counseling, guidance, and business assistance for the recipients of MSME capital aid, including educating them about maintaining cleanliness during production by disposing of production waste properly, using environmentally friendly production materials, and keeping the business premises clean.

Source: Author's data, processed (2024)

CONCLUSION

The implementation of productive zakat by BAZNAS Sukabumi, particularly in the MSME sector under the program name "Sukabumi Sejahtera," is conducted through six key stages: (1) application for assistance, (2) verification and field assessment by the evaluation team, (3) reporting of verification results along with recommendations, (4) processing and decision-making based on the assessment team's recommendations, (5) disbursement of aid, and (6) ongoing monitoring and evaluation. The research findings indicate that the verification and field assessment

phase, as well as the subsequent monitoring and business mentoring phase, are the most critical determinants of the program's success. These stages present ongoing challenges for BAZNAS Sukabumi in ensuring that the program's objectives are fully realized. The implementation of productive zakat by BAZNAS Sukabumi aligns with all key indicators of Shari'ah Enterprise Theory (SET), demonstrating accountability to Allah SWT, direct stakeholders, indirect stakeholders, and the environment. However, the researcher observes that certain aspects of accountability to indirect stakeholders, particularly in relation to the long-term business development of mustahik recipients, remain suboptimal. Moreover, the publication and accessibility of BAZNAS Sukabumi's reports could be further improved, as reflected in limited website accessibility and infrequent public outreach activities.

This study recommends improving the verification and field assessment stage conducted by the evaluation team, for example by implementing repeated cross-checks to minimize the risk of misallocated assistance or inaccuracies in determining the appropriate funding amounts for MSME beneficiaries. Enhancements are also needed in the monitoring and business mentoring stages, such as establishing regular supervision and guidance mechanisms and engaging successful MSME practitioners or relevant stakeholders to provide direction, motivation, and practical solutions to the challenges faced by MSME actors in the field. Further development is required to strengthen the fulfillment of Shari'ah Enterprise Theory (SET) indicators, particularly in relation to accountability to indirect stakeholders. This can be achieved by utilizing productive zakat funds for programs that more effectively support the welfare and economic empowerment of mustahik from poor and vulnerable groups—an essential benchmark for measuring the program's success. Additionally, accountability to indirect stakeholders, especially the general public, should be enhanced through more proactive outreach on social media platforms and increased publication in public spaces. Strengthening public trust in the institution is expected to have a positive impact on future zakat fund mobilization.

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